

REMARKS

This is in response to the Office Action mailed on December 23, 2004, and the references cited therewith.

Claims 3-15, 18-20, 22-24 are amended, claims 1-2 are canceled, and no claims are added; as a result, claims 3-24 are now pending in this application.

Claim Amendments

Claims 3-15, 18-20, 22-24 were amended to more clearly point-out the invention and not for reasons of patentability.

§101 Rejection of the Claims

Claim 3 was rejected under 35 USC § 101 as being directed to non-statutory subject matter, specifically, as directed to an abstract idea. Applicant has amended claims 3, 4, and 7-12 to include "computer-implemented method."

§103 Rejection of the Claims

Claims 3-24 were rejected under 35 USC § 103(a) as being unpatentable over the combination of U.S. Pat. No. 6,243,691 to Fisher et al. (hereinafter referred to as Fisher), Cooper's "Going going gone, Tradition gives way to technology," British Telecom World, March 1990 (hereinafter referred to as Cooper), and Biais' "An empirical analysis of the limit order book and the order flow in the Paris Bourse," December 1995 (hereinafter referred to as Biais).

Applicant respectfully traverses this rejection because the Office Action has not established a *prima facie* case of obviousness.

In order for the Examiner to establish a *prima facie* case of obviousness, three base criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both

be found in the prior art, and not based on applicant's disclosure. *M.P.E.P.* § 2142 (citing *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed.Cir. 1991)).

Applicant respectfully submits that the Office Action does not establish a *prima facie* case of obviousness because the references do not teach or suggest all the claim elements, and even if they did, there is no suggestion or motivation to combine the references.

THE REFERENCES DO NOT TEACH OR SUGGEST ALL THE CLAIM ELEMENTS

Discussion of Claim 3

Claim 3 recites in part:

A computer-implemented method, comprising:
prior to a live, in-person auction, establishing, in an online environment, a starting bid for an item by performing a pre-auction bidding process in the online environment for a predetermined amount of time, the pre-auction bidding process including,
communicating information associated with the item to online bidders,
receiving a first set of one or more bids for the item from one or more of the online bidders, and
choosing as the starting bid a highest bid from the first set of one or more bids received...

In rejecting claim 3, the Office Action admits, "[n]either Fisher nor Cooper disclose [sic] in person auction, establishing a starting bid for an item in an online environment by performing an interactive pre-auction bidding process in the online environment for a predetermined amount of time, the pre-auction bidding process including communicating the item to online users, receiving bids for the item from online bidders, and choosing as the starting bid a highest bid from the bids received." Office Action at page 4 and 5. However, the Office Action asserts, "Biais Bruno discloses a daily call auction to a computerized limit order market in which trading occurs continuously from 10 AM to 5 PM. The opening price at 10 AM is determined by a call auction. Prior to this call auction, a sequence of tentative call auctions occurs before the opening, in order to facilitate the price discovery process (see, Biais Bruno, page 3)." Office Action at page 5.

Applicant respectfully submits that the Office Action has mischaracterized Bia's. Firstly, Bia's does not provide details of its "call auctions." Secondly, the cited passage does not teach or suggest auctions that are performed for a "predetermined amount of time," as recited in the rejected claim. Thirdly, Bia's fails to teach or suggest the following claim features:

1. "communicating information associated with the item to online bidders";
2. "receiving a first set of one or more bids for the item from one or more of the online bidders" ; or
3. "choosing as the starting bid a highest bid from the first set of one or more bids received".

Claim 3 also recites "communicating the starting bid for the item to the live, in-person auction." The Office Action asserts, "Fisher substantially discloses a system/method for conducting a multi-person (or in-person), interactive auction... updating bidding information associated with an item in an online environment to reflect a current bid associated with the item, in person auction." Office Action page 3. Applicant respectfully submits Fisher does not teach or suggest an "in-person auction." In contrast, Fisher discloses an interactive auction that is not "in-person." In particular, Fisher's discloses that an "electronic auction system allows a group of bidders to interactively place bids over a computer or communications network." Fisher Column 5, Lines 42-44. Because Fisher does not teach or suggest the claimed "in-person auction," it certainly does not teach or suggest "communicating the starting bid for the item to the live, in-person auction", "during the live, in-person auction, performing a live auction process", "the updated bidding information to reflect a current bid associated with the item in the live, in-person auction", or "submitting a proxy bid to the live, in-person auction." (Emphasis added.)

For at least the reasons discussed above, Applicant submits that the combination of Fisher, Cooper, and Bia's does not teach each and every element of claim 3.

Discussion of Claims 4- 6, 18, and 22

Claims 4-6, 18, and 22 each include features similar to those noted in the discussion of claim 1. Applicant respectfully submits that for at least the reasons noted above, the combination of Fisher, Cooper, and Bia's does not teach each and every element of claims 4-6, 18, and 22.

Discussion of Claims 7-17, 19, 20, 23, and 24

Claims 7-17, 19, 20, 23, and 24 each depend, directly or indirectly, on one of claims 4-6, 18, or 22. Applicant respectfully submits that for at least the reasons noted above, the combination of Fisher, Cooper, and Biaisi does not teach or suggest each and every element of claims 7-17, 19, 20, 23, and 24.

THERE IS NO SUGGESTION TO COMBINE FISHER WITH COOPER AND BIAISI

Applicant submits that the Office Action has improperly combined Fisher with Cooper and Biaisi. For a proper combination, the Office Action must show that some objective teaching in the prior art or some knowledge generally available to one of ordinary skill in the art would lead an individual to combine the relevant teaching of the references. *In re Fine*, F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988).

The *Fine* court stated,

Obviousness is tested by "what the combined teaching of the references would have suggested to those of ordinary skill in the art." *In re Keller*, 642 F.2d 413, 425, 208 USPQ 871, 878 (CCPA 1981)). But it "cannot be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching or suggestion supporting the combination." *ACS Hosp. Sys.*, 732 F.2d at 1577, 221 USPQ at 933. And "teachings of references can be combined *only* if there is some suggestion or incentive to do so." *Id.* (Emphasis in original.)

The Office Action asserts that "it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the online bidding auction of Fisher by including the live auction taught by Cooper because such modification would provide the online bidding auction of Fisher with the enhanced necessary to have the benefit of broadening audience and cost saving." However, the Office Action does not identify a single passage from Fisher or Cooper that teaches or suggests the cited combination. In contrast, Fisher actually teaches away from live auctions. For example, Fisher states "[t]raditional auctions requiring a bidder's physical presence disadvantageously require that the merchandise lots up for sale be available at the auction venue." Fisher Column 1, Lines 23-25. Fisher also states "physical auctions have still the further disadvantage that only one item may be auctioned at a time."

Fisher Column 1, Lines 30-32. Fisher goes on to state that “All of these limitations and disadvantages of physical auctions, even when telephone bidding or bidding by facsimile is permitted, serve to discourage a large number of bidders and ultimately leads to lower selling prices to the economic detriment of the auctioneer and seller.” Diametrically, Cooper discloses “transmitt[ing] bids through *telephone lines and data channels*, allowing buyers to place their bids as though they were in Bond Street auction room itself - *the system sufficiently rapid to allow them to compete with the live auction.*” (Emphasis added) Cooper Page 1, Paragraph 10.

Additionally, the Office Action asserts that “it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the teachings of Fisher and Cooper by including the limitations detailed above as taught by Biais Bruno because this would provide the online bidding auction of Fisher and Cooper with the enhanced necessary to analyze the supply and demand of liquidity of the limit order market.” However, the Office Action does not identify a single passage from the references that teaches or suggests the cited combination. As noted above, Fisher teaches away from live auctions.

Given that Fisher teaches away from live auctions, while Cooper and Biais are related to live auctions (e.g., telephone auctions and floor auctions), there is no motivation or suggestion to combine Fisher, Cooper and Biais.

Because the cited references do not teach or suggest modifying Fisher as asserted in the Office Action, Applicant submits the Office Action has improperly used hindsight in rejecting the claims of the instant application. For at least the reasons discussed above, Applicant requests withdrawal of the rejections under 35 USC §103.

Interview Request

Applicant requests a telephone interview with the Examiner before any further action is taken on this case. Applicant’s representative, Andrew DeLizio, can be contacted at 281-213-8980.

Reservation of Rights

Applicant does not admit that documents cited under 35 U.S.C. §§ 102(a), 102(e), 103/102(a), or 103/102(e) are prior art, and reserves the right to swear behind them at a later

date. Arguments presented to distinguish such documents should not be construed as admissions that the documents are prior art. Applicant also reserves the right to pursue cancelled and originally filed claims in a continuation application. Furthermore, Applicant does not acquiesce to any of the Examiner's assertions about the claims or the cited and reserve the right to argue these assertions in the future.

CONCLUSION

Applicant respectfully submits that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's attorney at 281-213-8980 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

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Date 5/20/05

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: MS Amendment, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on this 20 day of May, 2005.

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